

REMARKS

Favorable reconsideration and allowance of the present application are respectfully requested in view of the following remarks. Claims 1-40 remain pending. Claims 1, 5, 18, 19, 24 and 40 are independent.

ALLOWABLE SUBJECT MATTER

Applicants appreciate that claims 1-18 and 32-37 are indicated to be allowable. Applicants further appreciate that claims 26-28 are indicated to define allowable subject matter.

INTERVIEW CONDUCTED

Applicants thank the Examiner for conducting an interview with Applicant's representative on December 8, 2004.

§ 103 REJECTION – FUJIMORI, MATSUURA

Claims 19-20, 24-25, 30-31, and 38-40 stand rejected under 35 USC 103(a) as allegedly being unpatentable over Fujimori (USP 5,027,214) in view of Matsuura et al. (USP 6,459,816). *See Final Office Action, item 3.* Applicants respectfully traverse.

Independent claim 1 recites in part "for coding the pixels in each unit block after obtaining an average level of the pixels in the unit block." During

the interview conducted on December 8, 2004, the Examiner indicated that the above-recited feature was not taught or suggested by any of the cited references, and thus rendered claim 1 and the dependent claims thereon allowable. Features similar to this are also present in claims 5 and 18. Thus, claims 5 and 18 along with their dependent claims are also allowable.

In this reply, independent claims 19, 24, and 40 have been amended to recite the features similar to that discussed above. Therefore, independent claims 19, 24, and 40 are distinguishable over the combination of Fujimori and Matsuura.

Claims 20, 25, 30-31, and 38-39 depend from independent claims 19 or 24 directly or indirectly. Therefore, for at least the reasons stated above with respect to independent claims 19 and 24, these dependent claims are also distinguishable over the combination of Fujimori and Matsuura.

Applicants respectfully request that the rejection of claims 19-20, 24-25, 30-31, and 38-40 based on Fujimori and Matsuura be withdrawn.

§ 103 REJECTION – FUJIMORI, MATSUURA, TAKAYAMA

Claims 22-23 and 30-31 stand rejected under 35 USC 103(a) as allegedly being unpatentable over Fujimori in view of Matsuura and Takayama (USP 6,512,791). *See Final Office Action, item 4.* Applicants respectfully traverse.

It is noted that claims 22-23 and 30-31 depend from independent claims 19 or 24 directly or indirectly. It has been shown above that the features added to claims 19 and 24 render these independent claims allowable over any combination of the cited prior art including Fujimori, Matsuura and Takayama. Therefore, independent claims 19 and 24 are distinguishable over the combination of Fujimori, Matsuura and Takayama.

Due to at least the dependency thereon, claims 22-23 and 30-31 are also distinguishable over the combination of Fujimori, Matsuura and Takayama.

Applicants respectfully request that the rejection of claims 22-23 and 30-31 based on Fujimori, Matsuura and Takayama be withdrawn.

CONCLUSION

All objections and rejections raised in the Final Office Action having been addressed, it is respectfully submitted that the present application is in condition for allowance. Should there be any outstanding matters that need to be resolved, the Examiner is respectfully requested to contact Hyung Sohn (Reg. No. 44,346), to conduct an interview in an effort to expedite prosecution in connection with the present application.

If necessary, the Commissioner is hereby authorized in this, concurrent, and future replies, to charge payment or credit any overpayment to Deposit

U.S. Application No. 09/337,494

Docket No. 1163-242P

Art Unit: 2612

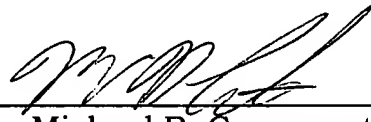
Page 19 of 19

Account No. 02-2448 for any additional fees required under 37 C.F.R. §§ 1.16 or 1.17; particularly, extension of time fees.

Respectfully submitted,

BIRCH, STEWART, KOLASCH &, BIRCH, LLP

By: _____



Michael R. Cammarata

Reg. No. 39,491

HNS

MRC/HNS/jm

P.O. Box 747

Falls Church, VA 22040-0747

(703) 205-8000